

CLERKS DULY NOTIFIED.....May 01, 2015
AGENDA PACKAGES/CDS FEDEXED TO MEMBERS..... May 01, 2015

MINUTES
SPECIAL CALLED TELEPHONIC EXECUTIVE COMMITTEE MEETING
WEDNESDAY, MAY 6, 2015
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819

PARTICIPANTS PRESENT

Bushnell	-	Bruce Hickle (via telephone)
Clewiston	-	Danny Williams (via telephone)
Fort Pierce	-	Clay Lindstrom (via telephone)
Green Cove Springs	-	Robert Page (via telephone)
Havana	-	Howard McKinnon (via telephone)
Jacksonville Beach	-	Allen Putnam (via telephone)
Key West	-	Lynne Tejeda (via telephone)
Kissimmee	-	Larry Mattern (via telephone)
Leesburg	-	Patrick Foster (via telephone)
Newberry	-	Bill Conrad (via telephone)
Ocala	-	Mike Poucher (via telephone)
Starke	-	Tom Ernharth (via telephone)

PARTICIPANTS ABSENT

Fort Meade	-	Fred Hilliard
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OTHERS PRESENT

David Anderson, Ocala (via telephone)
Diane Reichard, Ocala (via telephone)
Sandra Wilson, Ocala (via telephone)
Joe Hostetler, Kissimmee (via telephone)
Al Minner, Leesburg (via telephone)
Craig Dunlap, Dunlap & Associates, Inc.
Nat Singer, Swap Financial, Inc. (via telephone)
Mark Schultz, Green Cove Springs (via telephone)

STAFF PRESENT

Nick Guarriello, General Manager and CEO
Fred Bryant, General Counsel (via telephone)
Jody Finklea, Assistant General Counsel and Manager of Legal
Affairs (via telephone)
Mark McCain, Assistant General Manager, Public Relations &

Human Resources (via telephone)
Mark Larson, Assistant General Manager, Finance and Information
Technology and CFO
Michelle Pisarri, Administrative Coordinator
Sue Utley, Executive Assistant to the CEO/Asst. Secy to the BOD
Ed Nunez, Assistant Treasurer/Debt
Janet Davis, Treasurer

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM:

Chairman Howard McKinnon, Havana, called the FMPA Special Called Telephonic Executive Committee meeting to order at 2:00 p.m. on Wednesday, May 6, 2015 via telephone. A speaker telephone for public attendance and participation was located in the 1st Floor Conference Room, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 12 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE):

MOTION: Mrs. Tejeda, Key West, moved to set the agenda as presented. Mr. Putnam, Jacksonville Beach, seconded the motion. Motion carried 12-0.

ITEM 3 – RECOGNITION OF GUESTS:

None.

ITEM 4 – PUBLIC COMMENTS:

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN:

None.

ITEM 6 – REPORT FROM THE GENERAL MANAGER:

Nick Guarriello, General Manager and CEO, reported on the following items: Tom Richards becoming a contract employee as of June 1.

ITEM 7 – ACTION ITEMS:

Item 7a—Discussion of Amortization of Swap Financing Scenarios

MOTION: Mr. Putnam, Jacksonville Beach, moved approval of scenario 1A, level principal starting in 2017 to final maturity in 2031 (one year of interest rate only payments) as presented by staff and direct staff and counsel to proceed to make preparations for the issuance of tax exempt fixed rate bonds to finance the Taylor Swaps termination costs utilizing the amortizations structure shown in scenario 1A. Mr. Mattern, Kissimmee, seconded the motion. Roll call vote was taken. Motion carried 11-1. Green Cove Springs voted nay.

Item 7b—Discussion of Additional Termination of Swaps

MOTION: Mr. Mattern, Kissimmee moved approval of staff terminating two of the six remaining Taylor swaps as soon as practical, utilizing the Bank of America and Wells Fargo credit agreement as the interim source of funds for the related termination costs. Mrs. Tejada, Key West, seconded the motion. Roll call vote was taken. Motion carried 12-0.

ITEM 8 – INFORMATION ITEMS:

- a. **Discussion of Settlement-in-Principal with General Electric and AEGIS for the Cane Island Unit 4 Steam Turbine Damage Claim**

Mr. Finklea reported on the settlement-in-principal with General Electric and AEGIS for the Cane Island Unit 4 Steam Turbine Damage Claim.

ITEM 9 – MEMBER COMMENTS:

Mr. Page, Green Cove Springs, inquired about the General Electric claim. He stated that he is a GE retiree and questioned whether or not he needed to be recused from the discussion.

Mr. Bryant replied that he did not need to be recused.

There being no further business, the meeting was adjourned at 3:23 p.m.

Howard McKinnon
Chairperson, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

CLERKS DULY NOTIFIED.....May 14, 2015
AGENDA PACKAGES/CDS FEDEXED TO MEMBERS..... May 14, 2015
LEGAL AD PUBLISHED.....May 18, 2015

**MINUTES
EXECUTIVE COMMITTEE
THURSDAY, MAY 21, 2015
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

PARTICIPANTS PRESENT

Bushnell	-	Bruce Hickle (via telephone)
Clewiston	-	Danny Williams (via telephone)
Fort Pierce	-	Paul Jakubczak
Green Cove Springs	-	Robert Page
Havana	-	Howard McKinnon
Jacksonville Beach	-	Allen Putnam
Key West	-	Lynne Tejeda
Kissimmee	-	Larry Mattern
Leesburg	-	Patrick Foster
Newberry	-	Bill Conrad
Ocala	-	Mike Poucher

PARTICIPANTS ABSENT

Fort Meade	-	Fred Hilliard
Starke	-	Tom Ernharth

OTHERS PRESENT

Grant Lacerte, Kissimmee
Greg Woessner, Kissimmee
Matt Williams, Bank of America/Merrill Lynch
David Thornton, Wells Fargo
Al Minner, Leesburg
Randy Old, Vero Beach
David Anderson, Ocala
George Forbes, Jacksonville Beach
Craig Dunlap, Dunlap & Associates, Inc.

STAFF PRESENT

Nick Guarriello, General Manager and CEO
Fred Bryant, General Counsel (via telephone)
Jody Finklea, Assistant General Counsel and Manager of Legal
Affairs
Dan O'Hagan, Associate General Counsel

Mark McCain, Assistant General Manager, Public Relations &
Human Resources
Mark Larson, Assistant General Manager, Finance and Information
Technology and CFO
Frank Gaffney, Assistant General Manager, Power Resources
Michelle Pisarri, Administrative Coordinator
Sue Utley, Executive Assistant to the CEO/Asst. Secy to the BOD
Janet Davis, Treasurer
Edwin Nunez, Assistant Treasurer/Debt
Michele Jackson, System Planning Manager

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM:

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee meeting to order at 12:17 p.m. on Thursday, May 21, 2015 in the Boardroom, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida. The roll was taken and a quorum was declared with 11 members present out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE):

MOTION: Mrs. Tejeda, Key West moved to set the agenda as presented. Mr. Poucher, Ocala, seconded the motion. Motion carried 11-0.

ITEM 3 – RECOGNITION OF GUESTS:

None

ITEM 4 – PUBLIC COMMENTS:

None.

ITEM 5 – COMMENTS FROM THE CHAIRMAN:

Chairman McKinnon had no comments.

ITEM 6 – REPORT FROM GENERAL MANAGER:

Nick Guarriello, General Manager and CEO had no comments

ITEM 7 –SUNSHINE LAW UPDATE IN A MINUTE:

Jody Finklea, Assistant General Counsel & Manager of Legal Affairs, provided a verbal report on recent Public Records Law news.

ITEM 8 – CONSENT AGENDA:

Item 8a – Approval of Meeting Minutes–Meeting Held April 16, 2015; ARP Telephonic Rate Workshop Minutes – Workshop Held April 9, 2015

Item 8b - Approval of Treasury Reports - As of March 31, 2015

Item 8c – Approval of Agency and All-Requirements Project Financials as of March 31, 2015

MOTION: Mr. Mattern, Kissimmee, moved approval of the consent agenda as presented. Mr. Putnam, Jacksonville Beach, seconded the motion. Motion carried 11-0.

ITEM 9 – ACTION ITEMS:

Item 9a—Approval of New Credit Card Policy and Procedures – Auditor General Finding No. 11

MOTION: Mr. Poucher, Ocala moved approval to approval to reissue FMPA credit cards, to non-FMPA plant personnel at the Treasure Coast Energy Center and Stock Island Generating Facility. Direction was also given to staff to bring back revised credit card policy and procedures to incorporate the Board's decision for non-FMPA plant personnel. Mr. Mattern, Kissimmee, seconded the motion. Motion carried 10-1. Green Cove Springs voted nay.

Item 9b— Approval of Disaster Recovery Plan – Auditor General Finding No. 15

MOTION: Mrs. Tejada, Key West, moved approval of the recommended approach of addressing the AG's Finding No. 15. Mr. Mattern, Kissimmee, seconded the motion. Motion carried 11-0.

Item 9c— Approval of Amendment to Debt Policy re: Interest Rate Swaps Policy – Auditor General Finding No. 3

MOTION: Mr. Mattern, Kissimmee, moved approval of the recommended amended Debt Policy language related to addressing the Auditor General Finding No. 3 with incorporating additional language in Section 4.2 and 5.2 stating "including all required regulatory approvals," as follows:

Section 4.2

No debt will be issued without written evidence of absolute authority, including all required regulatory approvals, for FMPA to proceed

Section 5.2

The Debt Financing Team shall specifically review:

- *Existence of associated debt*
- *Existence of all necessary project approvals, including all required regulatory approvals, prior to issuance or interest rate hedging authorization*
- *Purpose of proposed interest rate hedge*
- *Type of Interest rate hedge instrument and counterparty(s) to be used*
- *Duration of interest rate hedge*
- *Expected results and probabilities of achieving those results*
- *Risks of the interest rate hedge strategy or transaction*
- ~~*Existence of associated debt*~~
- ~~*Existence of all necessary project approvals, including all required regulatory approvals, prior to issuance or interest rate hedging authorization*~~

Mr. Page, Green Cove Springs, seconded the motion. Motion carried 11-0.

MOTION: Mr. Foster, Leesburg, moved approval to add to the Debt Policy the following statement wherever appropriate:

Going forward with the adoption of revisions to this Debt Policy, Version 5, approved April 25, 2013, no new interest rate hedging may be employed.

Mr. Mattern, Kissimmee, seconded the motion. Motion carried 11-0.

Item 9d— Approval of Amendment to Debt Policy re: Selection of Bond Professionals Policy – Auditor General Finding No. 10

MOTION: Mr. Putnam, Jacksonville Beach, moved approval of amended Debt Policy language related to AG Finding No. 10 with an added change in the last sentence of Section 4.1.1.3 by

substituting the word "shall" with "may," and moved approval of staff's implementation plan as noted. Mrs. Tejada, Key West, seconded the motion. Motion carried 11-0.

Item 9e— Approval of Amendment to Investment Policy re: Auditor General Finding No. 4

MOTION: Mr. Foster, Leesburg, moved approval of Investment Policy with the changes discussed as follows:

5.5 Diversification – accept the added language in the first paragraph that states: or by any other reasonably determinable characteristic and the added and deleted language in paragraph 2 of 5.5 that states: For risks potentially resulting from investments with high concentrations of other characteristics not itemized in the chart above, the Treasurer should bring these investments to the attention of the Assistant General Manager and CFO (AGM/CFO) and the Agency Risk Manager for review. If the concentration risk is deemed significant enough by any one of the three noted here, the AGM/CFO must bring this concentration concern to the AROC at its next regular meeting.

~~5.5.1 Exceptions: The Assistant General Manager and CFO has authority to approve exceptions to required diversification if one institution is able to achieve some economies of scale which will benefit FMPA. Such exceptions must be reported to the AROC within five business days.~~

~~Diversification percentages can also be exceeded by the Executive Committee or Board of Directors through approval of proposed investment agreements.~~

Mr. Poucher, Ocala, seconded the motion. Motion carried 11-0.

Item 9f— Approval of Transmission Planning and Related Services to Lake Worth

MOTION: Mr. Poucher, Ocala, moved approval of the Compliance Responsibility Agreement between FMPA and the City of Lake Worth and to authorize the General Manager and CEO, or his designee, to execute the Agreement. Mr. Mattern, Kissimmee, seconded the motion. Motion carried 11-0.

Item 9g— Member Request - Approval of Eliminating FST Program

MOTION: Mr. Mattern, Kissimmee, moved approval of the recommendation that the existing FST Plus version of natural gas hedging used by the FMPA All-Requirements Project cease immediately. Mr. Page, Green Cove Springs, seconded the motion. Motion carried 11-0.

Item 9h— Approval of RFQ for Independent Management Consulting Services

MOTION: Mr. Putnam, Jacksonville Beach, moved approval of the Request for Qualifications (RFQ) for Management Consulting Services and for the scope to cover Auditor General Findings No. 1 (Fuel Hedging) and No. 14 (ARP Contract Termination Provisions); and to include Key West's recommendation to add the language in Section 4.2 - "Identify industry best practices related to each finding" between 4.2b and 4.2c and the RFQ distribution list, and authorize issuance of the RFQ as soon as possible. Mrs. Tejada, Key West, seconded the motion. Motion carried 11-0.

Discussion continued.

MOTION: Mr. Foster, Leesburg, moved to have the Executive Committee Chairperson or the Vice-Chairperson work with staff to select the top five proposals. Any interviews of the proposers must be conducted at a public meeting, and all of the Executive Committee must be invited to attend. Mr. Poucher, Ocala, seconded the motion. Motion carried 11-0.

Item 9i— Approval of Resolution 2015-EC2 – Approval of Series 2015B Bonds

MOTION: Mr. Putnam, Jacksonville Beach, moved approval of Resolution 2015-EC2. Mr. Foster, Leesburg, seconded the motion. The Resolution was read by title.

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING THE SERIES 2015B SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT REVENUE BOND RESOLUTION WHICH AUTHORIZES THE ISSUANCE OF FLORIDA MUNICIPAL POWER AGENCY ALL-REQUIREMENTS POWER SUPPLY PROJECT REVENUE BONDS, SERIES 2015B IN A PRINCIPAL AMOUNT NOT TO EXCEED TWO HUNDRED MILLION DOLLARS (\$200,000,000) TO BE SOLD ON OR BEFORE DECEMBER 31, 2015 FOR THE PURPOSE OF FINANCING THE COSTS OF TERMINATING CERTAIN INTEREST RATE SWAP AGREEMENTS ENTERED INTO IN CONNECTION WITH THE TAYLOR ENERGY CENTER PROJECT AND TO REFUND FMPA'S ALL-REQUIREMENTS POWER SUPPLY PROJECT REVENUE BONDS, SERIES 2015A AND DELEGATES TO AUTHORIZED SIGNATORIES AND AUTHORIZED OFFICERS CERTAIN MATTERS RELATING TO THE ISSUANCE OF SUCH SERIES 2015B BONDS INCLUDING (1) WHEN TO ISSUE SUCH SERIES 2015B BONDS, (2) DETERMINATION OF THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS AND OTHER REDEMPTION PROVISIONS OF THE SERIES 2015B BONDS, (3) APPROVAL OF THE SALE AND PURCHASE PRICE FOR THE SERIES 2015B BONDS, (4) DETERMINATION OF AMOUNT, IF ANY, OF THE DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES 2015B BONDS, AND (5) DETERMINING THE ADVISABILITY OF SECURING BOND INSURANCE FOR SUCH SERIES 2015B BONDS; (III) MAKING CERTAIN FINDINGS AS TO THE REASONS REQUIRING THE NEGOTIATED SALE OF THE SERIES 2015B BONDS; (IV) ACKNOWLEDGING REQUIREMENT TO OBTAIN DISCLOSURE STATEMENT FROM THE UNDERWRITERS AND APPROVING THE FORM DISCLOSURE STATEMENT; (V) APPROVING THE PREPARATION, EXECUTION, DELIVERY AND USE OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT, THE DEEMING "FINAL" OF THE PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION, DELIVERY AND PERFORMANCE OF A CONTINUING DISCLOSURE AGREEMENT; (VI) DESIGNATING AUTHORIZED OFFICERS AND APPROVING AND RATIFYING PREVIOUS ACTIONS; (VII) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (VIII) PROVIDING FOR SEVERABILITY; AND (IX) PROVIDING FOR AN EFFECTIVE DATE.

Motion carried 11-0.

Approval of Resolution 2015-EC3 – Approval of Series 2015C Bonds

MOTION: Mr. Putnam, Jacksonville Beach, moved approval of Resolution 2015-EC3. Mr. Foster, Leesburg, seconded the motion. The Resolution was read by title.

A RESOLUTION OF THE EXECUTIVE COMMITTEE OF FLORIDA MUNICIPAL POWER AGENCY (I) RECITING STATEMENT OF AUTHORITY; (II) APPROVING AND ADOPTING THE SERIES 2015C SUPPLEMENTAL ALL-REQUIREMENTS POWER SUPPLY PROJECT REVENUE BOND RESOLUTION WHICH AUTHORIZES THE ISSUANCE OF FLORIDA MUNICIPAL POWER AGENCY ALL-REQUIREMENTS POWER SUPPLY PROJECT REFUNDING REVENUE BONDS, SERIES 2015C IN A PRINCIPAL AMOUNT NOT TO EXCEED SIX HUNDRED TWENTY-FIVE MILLION DOLLARS (\$625,000,000) TO BE SOLD ON OR BEFORE DECEMBER 31, 2015 FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF FMPA'S ALL-REQUIREMENTS POWER SUPPLY PROJECT REVENUE BONDS, SERIES 2008A AND ALL-REQUIREMENTS POWER SUPPLY PROJECT REVENUE BONDS, SERIES 2009A AND DELEGATES TO AUTHORIZED SIGNATORIES AND AUTHORIZED OFFICERS CERTAIN MATTERS RELATING TO THE ISSUANCE OF SUCH SERIES 2015C BONDS INCLUDING (1) WHEN TO ISSUE SUCH SERIES 2015C BONDS, (2) DETERMINATION OF THE PRINCIPAL AMOUNTS, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS AND OTHER REDEMPTION PROVISIONS OF THE SERIES 2015C BONDS, (3) APPROVAL OF THE SALE AND PURCHASE PRICE FOR THE SERIES 2015C BONDS, (4) DETERMINATION OF AMOUNT, IF ANY, OF THE DEBT SERVICE RESERVE REQUIREMENT FOR THE SERIES 2015C BONDS, AND (5) DETERMINING THE ADVISABILITY OF SECURING BOND INSURANCE FOR SUCH SERIES 2015C BONDS; (III) MAKING CERTAIN FINDINGS AS TO THE REASONS REQUIRING THE NEGOTIATED SALE OF THE SERIES 2015C BONDS; (IV) ACKNOWLEDGING REQUIREMENT TO OBTAIN DISCLOSURE STATEMENT FROM THE UNDERWRITERS AND APPROVING THE FORM DISCLOSURE STATEMENT; (V) APPROVING THE PREPARATION, EXECUTION, DELIVERY AND USE OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT, THE DEEMING "FINAL" OF THE PRELIMINARY OFFICIAL STATEMENT AND THE EXECUTION, DELIVERY AND PERFORMANCE OF A CONTINUING DISCLOSURE AGREEMENT AND ESCROW DEPOSIT AGREEMENT; (VI) DESIGNATING AUTHORIZED OFFICERS AND APPROVING AND RATIFYING PREVIOUS ACTIONS; (VII) PROVIDING FOR THE TAKING OF CERTAIN OTHER ACTIONS; (VIII) PROVIDING FOR SEVERABILITY; AND (IX) PROVIDING FOR AN EFFECTIVE DATE.

Motion carried 11-0.

Item 9j— Approval of Settlement-In-Principal with General Electric and AEGIS for the Cane Island Unit 4 Steam Turbine Damage Claims

MOTION: Mr. Foster, Leesburg, moved approval of the settlement-in-principal based on the terms of settlement presented by staff and authorize the General Manager and CEO to sign the legally enforceable and binding memorandum of understanding to effectuate settlement of the Cane Island Unit 4 steam turbine dispute with GE and AEGIS, and authorize staff to take further actions to complete the settlement of claims, including the signing of a final, detailed settlement agreement and related documents. Mrs. Tejada, Key West, seconded the motion. Motion carried 11-0.

ITEM 10 – INFORMATION ITEMS:

- a. Update on Auditor General Finding No. 8 – Questioned Expenditures
- b. 2015 ARP Load Forecast
- c. 2015 Ten Year Site Plan
- d. Hedge Portfolio Position Update – January 2015

Staff reported on items b., c., and d.

ITEM 12 – MEMBER COMMENTS:

None.

There being no further business, the meeting was adjourned at 2:35 p.m.

Howard McKinnon
Chairperson, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal